



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERE-PR (1-1)

30 APR 1993

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Financing of Real Estate Services Provided to the Army

1. References:

a. Memorandum, CERE-P, 28 Dec 90, subject: Financing Real Estate Services Provided to the Army.

b. Memorandum, CERE-P, 26 Nov 91, subject: Future Financing of Real Estate Operations Expenses (NOTAL).

c. Memorandum, CERE-P, 27 Nov 91, subject: Financing Real Estate Services Provided to the Army.

2. As a result of the budgetary constraints and operating concerns addressed in references a and c above, certain real estate services formerly provided by USACE at no charge to our customers must now be performed on a reimbursable basis.

3. Reference b provided the first draft of a proposed method of financing these services. Based on responses to that draft, and further work by the HQUSACE staff, we have developed a policy that delineates those services reimbursable by the customer, and those services to be financed directly by USACE.

4. At the time reference b was issued, it appeared that all real estate services would become reimbursable by FY 94, and initial guidance provided in the FY 94-99 POM preparation instructions reflected that assumption. Based on the results of the POM, however, a baseline amount of funding was retained at USACE. Enclosure 1 summarizes the new policy.

5. Enclosure 2 specifically categorizes the effort involved with work in support of MILCON projects, and shows when funding shifts from the installation to the MCA, AFH, or other construction appropriation. Army and Engineer regulations will be revised to reflect this policy change.

Encl

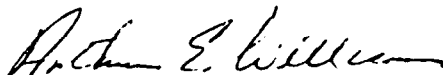
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6. Regardless of the source of funds, we are committed to provide real estate products which meet your requirements, on time and within budget. The method of funding is changing, but our commitment to quality and service is not.

Enclosures


ARTHUR E. WILLIAMS
Lieutenant General, USA
Commanding

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CHIEF, U. S. ARMY RESERVE
CHIEF, NATIONAL GUARD BUREAU

CF:

COMMANDERS, USACE MAJOR SUBORDINATE COMMANDS AND DISTRICT
COMMANDS, ATTN: DIRECTOR/CHIEF OF REAL ESTATE

Definition of Army and Military Support

Base Support for the Army (Paid with USACE OMA P728018.32)

All effort which sustains the existing real property base. Some examples are lease renewals (inleases), outgrant renewals (outleases), and associated inspections. Audits performed after the property is acquired and made available to the customer are considered base support. The marketing and administrative effort involved in securing and managing incremental support is properly chargeable to this account.

Incremental support to the Army (Reimbursed by the customer)

All effort which changes the real property base. Some examples are acquisitions and associated planning, leases involving changed space and services when requested by the customer, the necessary appraisals for acquisitions and leases, condemnations, all types of permits, new outgrants, disposals, and curing encroachments. Stand alone products such as appraisals and planning reports which do not result in changes to the real property base are also included here if they have been requested by the customer.

Real Estate Effort in Support of MILCON
Products Payable by Installations

Site Selection

Site Selection Team or Available Site Identification and
Validation (ASIV) Reports
Identify available lands
Preliminary ownership data
PL 91-646 data

Initial Real Estate Cost Estimate
Lands and damages cost estimate
site survey
initial review of market data
review of plats, maps, legal descriptions
review of environmental data

PL 91-646 data
visit farms, homes, businesses to be relocated
initial analysis of potential benefits

Initial determination of mitigation lands, mineral
rights and uneconomic remnants to be acquired

Real Estate Planning Report (REPR)

Description of selected site
mapping
ownership data
estimated value of each tract
Relocations - facilities, roads, public utilities,
cemeteries, and so on
justification and cost
Attitude of owners and neighborhood
effect on local economy
known views of landowners and others
Outstanding interests and reservations
search public records including those for adjacent
tracts
Comparable sales
PL 91-646 costs
Valuation of site
classification of lands, severance and estimated value
per acre
description of improvements - number, type, condition
assessed values and their relationship to market value
property tax for previous year
Project description
nature and estimated cost of proposed construction
Engineering Feasibility Report for USAR sites

Real Estate Effort in Support of MILCON
Products Payable by Installations (continued)

Acquisition by other than Fee

Transfer from other Federal Agencies

Congressional notification required if value
greater than \$200K

Documents which evidence title obtained from
transferring agency

Other DOD agency - obtain Secretariat approvals

Exchange

Mapping/survey

Title evidence for non-federal property

Negotiations

Report of Excess

Congressional Notification, if required

Preparation of exchange agreement

Exchange of Deeds

Withdrawal from Public Domain

File application with Bureau of Land Management

Mapping/survey

Real Estate Effort in Support of MILCON
Products Payable by Planning and Design funds
Controlled by USACE

Temporary permits

Correspondence or personal contact with landowner for right-of-entry

Appraisal report

Staff appraisal

site survey/inspection
develop market data
review of environmental/HTW data
appraisal update

Contract appraisal

prepare scope and specifications
solicit for bids
review bids
select contract appraiser
site survey/inspection
develop market data
review of environmental/HTW data
appraisal update
review contract appraisal

Real Estate Effort in Support of MILCON
Products Payable by Project funds
Controlled by USACE

Offer to sell

Mapping/survey

Title evidence

solicitation for bids

bid review

selection of title company

analysis of recorded/court documents

title search

Fair market value letter

Negotiations and preparation of negotiator's report

Counteroffer, if required

Closing

preparation of legal documents

final title review

execution of deed

Payments to landowners (cost of land)

Condemnation

Preparation of Declaration of Taking (DT)

Review of DT

Signature of DT by Secretary of the Army

Transmittal to Department of Justice (DOJ)

DOJ review

Transmittal to Assistant US Attorney for filing of DT

Order of possession obtained

Trial expenses

Court order/judgement as to just compensation/value of land

Payments to landowners, including original deposit, award amount
and accrued interest